

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

KERR CORPORATION,

Plaintiff,

v.

WESTSIDE RESOURCES, INC.,

Defendant.

OPINION AND
ORDER

07-C-0177-C

In this civil action for patent infringement, plaintiff Kerr Corporation contends that a dental tool manufactured and sold by defendant Westside Resources, Inc. infringes United States Patent No. 4,984,984 (the '984 patent), which plaintiff owns. Jurisdiction is present. 28 U.S.C. §§ 1331 and 1338(a).

Presently before the court is defendant's motion to dismiss plaintiff's action under Fed. R. Civ. P. 41(a)(1). Defendant moves in the alternative for the court to transfer the case to the Central District of California.

Defendant argues that Fed. R. Civ. P. 41(a)(1) requires dismissal of the case because plaintiff voluntarily dismissed the same claim twice before. Plaintiff contends that the "two dismissal" rule does not apply because plaintiff did not harass defendant by dismissing its

two previous lawsuits. But plaintiff's reliance on what it contends to be the purpose of Rule 41(a)(1) is misplaced. When the language of a rule is plain, courts must follow it regardless whether the court believes the application of the rule will further its purpose. Because Rule 41(a)(1) clearly provides that a second voluntary notice of dismissal operates as an adjudication of the merits and there is no case on point permitting the court to read an element of harassment into the rule, I will grant defendant's motion.

From the pleadings and affidavits I find the following facts material and undisputed.

FACTS

Plaintiff Kerr Corporation and defendant Westside Resources, Inc. are competitors in the United States market for the manufacture and sale of dental products.

On January 15, 1991, the United States Patent and Trademark Office issued United States Patent No. 4,984,984 (the '984 patent) for an invention entitled "Dental Tool And Nozzle Therefor." Plaintiff owns the '984 patent, under which it manufactures and sells the Safe EZ Tip, a disposable air-water nozzle for use with air polisher dental tools. Defendant manufactures and sells the Crystal Tip, a disposable syringe used by dentists to direct air or water during a dental examination or procedure.

On May 25, 2001, plaintiff filed a complaint against Westside Industries, Inc., defendant's predecessor, in the United States District Court for the Central District of

California, Case No. SACV 01-529AHS(ANx). Plaintiff alleged that Westside Industries' product Crystal Tip (the product at issue in this case) infringed the '984 patent. Plaintiff never served the complaint on Westside Industries and Westside Industries never answered or otherwise responded to the complaint.

At the time plaintiff filed and dismissed the 2001 case, no entity called "Westside Industries" existed. In December 1999, owner Donovan Berkely acquired co-owner Michael Wasylucha's interest in Westside Industries. On January 3, 2000, Berkely formed a successor corporation, defendant Westside Resources, Inc., to carry on Westside Industries' business. Defendant used the same office, post office box, telephone number, bank and vendors as Westside Industries. Defendant sold the same product, Crystal Tip, to the same customers as Westside Industries. After plaintiff recognized that it had named the wrong defendant, plaintiff filed a voluntary notice of dismissal of the action pursuant to Rule 41(a)(1)(i).

On February 11, 2002, plaintiff filed a complaint against defendant in the United States District Court for the Central District of California, Case No. SACV 02-144DOC(ANx). Plaintiff alleged that defendant's product Crystal Tip infringed the '984 patent. Plaintiff never served the complaint on defendant and defendant never answered or otherwise responded to the complaint. On December 23, 2002, after deciding that its potential damages were insufficient to justify the cost of a lawsuit, plaintiff filed a voluntary

notice of dismissal of the action pursuant to Rule 41(a)(1)(i).

On March 26, 2007, plaintiff filed a complaint against defendant in this court contending that defendant's product Crystal Tip infringed the '984 patent.

OPINION

Although this is a patent infringement action, the question of applying the "two dismissal" rule is resolved in accordance with the law of the Seventh Circuit. Panduit Corp. v. All States Mfg. Co., 744 F.2d 1564, 1574-75 (Fed. Cir. 1984) ("[T]he Federal Circuit shall review procedural matters, that are not unique to patent issues, under the law of the particular regional circuit court where appeals from the district court would normally lie."). However, the resolution of this case is the same regardless which circuit's law controls. The case must be dismissed.

A plaintiff may voluntarily dismiss its action by filing a notice of dismissal at any time before its adversary answers the complaint or moves for summary judgment. Fed. R. Civ. P. 41(a)(1). The first such dismissal is without prejudice, but the second is not. Id. Rule 41(a)(1) provides that "a notice of dismissal operates as an adjudication upon the merits when filed by a plaintiff who has once dismissed . . . an action based on or including the same claim." Thus, a plaintiff gets one chance to start again. It is not entitled to continually dismiss lawsuits and file new ones asserting the same claim.

Plaintiff filed voluntary notices of dismissal on December 21, 2001 and December 23, 2002 in its first two actions for patent infringement relating to defendant's product Crystal Tip. Under the plain language of Rule 41(a)(1), plaintiff's previous two dismissals bar plaintiff from bringing this third action involving the same patent infringement claim.

Plaintiff argues that the court must find that plaintiff's prior two dismissals actually or potentially harassed defendant before it can apply the "two dismissal" rule. Plaintiff relies heavily on Sutton Place Development Co. v. Abacus Mortgage Investment Co., 826 F.2d 637 (7th Cir. 1987), in which the court held that the purpose of Rule 41(a)(1) is to "prevent unreasonable abuse and harassment by plaintiff securing numerous dismissals without prejudice." Id. at 640 (quoting American Cyanamid Co. v. McGhee, 317 F.2d 295, 297 (5th Cir. 1963)). The purpose of the rule is not an element of its literal application however. Courts may consider the purpose of a rule or statute in interpreting the rule's meaning, but only when the language is ambiguous. They are not free to add elements to the rule simply because they believe the rule would be better that way. Jones v. Bock, 127 S. Ct. 910, 921 (2007) (refusing to interpret statute as imposing requirements not included in statute, even though requirements might have furthered statute's purpose).

Plaintiff's second notice of dismissal automatically triggers the application of Rule 41(a)(1) and operates as an adjudication of the merits. Rule 41(a)(1) contains no element of harassment and plaintiff points to no case requiring the court to read an element of

harassment into the rule.

Plaintiff suggests that in Sutton Place the court read an element of harassment into Rule 41(a)(1), but Sutton Place is clearly distinguishable. In that case, the plaintiff's second dismissal was by motion and not by notice as required by Rule 41(a)(1). Id. at 640; Fed. R. Civ. P. 41(a)(1) (“[E]xcept that a *notice of dismissal* operates as an adjudication upon the merits . . .”). Because plaintiff's dismissal fell outside the plain language of Rule 41(a)(1), the court of appeals considered whether it was appropriate to extend the scope of the rule. Sutton Place, 826 F.2d at 640. After finding that the language of the rule did not compel a particular result, the court considered whether the extension would serve the purpose of the rule to prevent unreasonable abuse and harassment. Id. at 640-41. See also Poloron Products, Inc. v. Lybrand Ross Brothers & Montgomery, 534 F.2d 1012, 1017 (2d Cir. 1976) (considering purpose of Rule 41(a)(1) in case in which plaintiff filed dismissal by notice preceded by dismissal by stipulation).

Unlike Sutton Place, the question in this case is not whether to extend Rule 41(a)(1), but simply whether to follow its mandate. As the Court of Appeals for the Ninth Circuit recognized: “Sutton Place limits an expansion of Rule 41(a)(1), but it hardly suggests that dismissals which fall squarely within the language of the Rule should be read out of it via an intent inquiry.” Lake at Las Vegas Investors Group, Inc. v. Pacific Malibu Development Corp., 933 F.2d 724, 727 (9th Cir. 1991).

Plaintiff filed a notice of dismissal in its first two actions and placed itself squarely within the plain language of the “two dismissal” rule. Plaintiff could have avoided the rule by amending its first complaint to include defendant’s correct name or moving the court to dismiss its first two actions pursuant to Rule 41(a)(2), but it chose neither of those alternatives.

Rule 41(a)(1) applies when the two previous actions are based on or include the “same claim.” Plaintiff offers nothing to refute defendant’s argument that plaintiff’s claim is the same in this case as in the previous two cases, even though defendant’s name was different in the first case. Accordingly, plaintiff has waived any argument to the contrary. Central States, Southeast and Southwest Areas Pension Fund v. Midwest Motor Express, Inc., 181 F.3d 799, 808 (7th Cir. 1999) (“Arguments not developed in any meaningful way are waived.”). In any event, to the extent that a claim may not be the same if it is asserted against a different defendant, such a rule would not apply when the defendants are “substantially the same, or in privity.” Ogden Allied Security Services, Inc. v. Draper & Kramer, 137 F.R.D. 259, 261 (N.D. Ill. 1991).

In this case, the undisputed facts show that defendant satisfies this standard. Although plaintiff brought the first case against “Westside Industries,” defendant is identical to Westside Industries in everything but name: it maintains the same office, post office box, telephone number, bank, vendors, customers and products as its predecessor.

Because plaintiff twice voluntarily dismissed the same claim that it brings now, I must dismiss this case under Rule 41(a)(1). This makes it unnecessary to address defendant's motion to transfer the case to the Central District of California.

ORDER

IT IS ORDERED that

1. Defendant Westside Resources, Inc.'s motion to dismiss plaintiff Kerr Corporation's patent infringement action pursuant to Fed. R. Civ. P. 41(a)(1) is GRANTED;
2. Defendant's motion to transfer plaintiff's patent infringement action to the Central District of California is DENIED as moot.

Entered this 27th day of September, 2007.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge